



The Trusted Choice

Michigan Association of Insurance Agents
Representing Independent Agents

RE: HB 5890, 5891

Good Morning Mr. Chairman and Committee Members,

My name is Scott Hummel representing the Michigan Association of Insurance Agents (MAIA). MAIA is a statewide trade association of over 800 independent insurance agencies and over 8,000 employees and agents. Our members are independently owned insurance agencies – mostly small businesses that offer a variety of insurance and financial services.

MAIA offers its support for HB 5890 and 5891, legislation we strongly believe is more reflective of today's marketplace and provides greater flexibility for agents in identifying the best insurance value for their customers. The genesis of these bills reflect the recommendations of the Insurance and Financial Advisory Rules Committee to the Office of Regulatory Reinvention, therefore, I will briefly address our reasons for support since I am assuming you have the final recommendations before you and the supporting reasons. I should mention that Bob Pierce, MAIA's Chief Executive Officer was an active member of the rules committee.

First, HB 5890 (Recommendation #20 with justification on page 38 of the report); Currently, a \$3 fee is to be paid when an agent reports a change of address. A change of address is now accomplished electronically on-line by the agent through the National Insurance Producer Registry (NIPR) gateway and not through OFIR. The fee is out-dated and unnecessary.

Regarding HB 5891, of particular concern to MAIA are changes proposed on page 3 of the bill under section 2116 (Recommendation #24 with justification on page 42 of the report); current law requires an agent licensed to represent one or more insurers – that is independent insurance agents - to provide each eligible person seeking a quote with the lowest available premium quote for the insurance sought by the eligible person. Although this requirement sounds laudable, it discriminates against agents that represent multiple insurers by adding additional business costs; it's outdated with the ability of consumers to obtain insurance quotes electronically without even speaking to an agent; it's not reflective of today's competitive insurance market (which is the better way to maintain integrity in the marketplace); and there may be other factors that an agent is aware of besides pricing that offer the customer a better value for the coverage they seek (such as claims and service experience in the event of a loss). Thus, MAIA supports the change from a mandatory requirement to permissive language.

Again, MAIA encourages your support for HB 5890 and 5891.

Scott Hummel, Michigan Association of Insurance Agents

